Exhibit 3: December 2, 2004 Staff Recommendation

COASTAL CONSERVANCY

Staff Recommendation December 2, 2004

SOUTHERN CALIFORNIA BIGHT REGIONAL KELP RESTORATION PROGRAM

File No. 04-089 Project Manager: Marc Beyeler

RECOMMENDED ACTION: Authorization to disburse up to \$400,000 to the Santa Monica BayKeeper and up to \$200,000 the California CoastKeeper Alliance for the Southern California Bight Regional Kelp Restoration Program to initiate the second three-year phase of the Southern California Bight Regional Kelp Restoration Program, restoring kelp resources within Santa Monica Bay and other locations within the Southern California Bight marine ecosystem.

LOCATION: Santa Monica Bay and Southern California Bight marine ecosystem (Exhibit 1)

PROGRAM CATEGORY: Resource Enhancement

EXHIBITS

Exhibit 1: Regional Location Map

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31251-31270 of the Public Resources Code:

"The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed four hundred thousand dollars (\$400,000) to the Santa Monica BayKeeper and not to exceed two hundred thousand dollars (\$200,000) to the California CoastKeeper for the Southern California Bight Regional Kelp Restoration Program to implement the second phase of the Kelp Restoration Program, subject to the condition that prior to disbursement of funds for the project, each grantee shall submit the following for review and written approval of the Executive Officer of the Conservancy:

- 1. Its final work program, schedule and budget for its project;
- 2. The names of all contractors it intends to employ for its project; and
- 3. Evidence of all permits and approvals for its project."

Staff further recommends that the Conservancy adopt the following findings:

"Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

- 1. The proposed project is consistent with the guidelines and criteria set forth under Chapter 6 of the Public Resources Code (Sections 31251-31270) regarding the enhancement of coastal resources.
- 2. The proposed project is consistent with the guidelines and criteria set forth in the Conservancy's Project Selection Criteria and Guidelines adopted on January 24, 2001.
- 3. The Santa Monica BayKeeper and the California CoastKeeper Alliance are nonprofit organizations existing under Section 501(c)(3) of the U.S. Internal Revenue Code, and whose purposes are consistent with Division 21 of the Public Resources Code."

PROJECT SUMMARY:

The Santa Monica BayKeeper and the California CoastKeeper Alliance propose to undertake the second phase of the regional kelp restoration program focused on the Southern California Bight. Through this project, the nonprofit partners will restore and maintain giant kelp, *Macrocystis pyrifera*, at depleted reef locations that historically supported kelp forests along 300 miles of the southern California Bight, from Santa Barbara to San Diego, including, importantly, locations within Santa Monica Bay.

The project will use community scuba divers to undertake kelp plantings and to monitor the progress of restoration and gather important data on kelp forest habitats, to support better management of existing and restored regional marine kelp resources.

Site Description: The giant kelp forests that border the coast of southern California are unique. In the northern hemisphere, giant kelp is only found along the Pacific coast of California and Baja California. Giant kelp creates dense forests and a canopy on the surface of the water, providing food and shelter for more than 800 species of marine animals, including important commercial and recreational fishery species. Although kelp beds are not important spawning grounds for fish, they are important nursery areas for many juvenile fishes. About 30% of the species and 40% of fish families in the southern California Bight occupy this habitat for some portion of their lives. Marine scientists have documented that the abundance and distribution of kelp forests in the southern California Bight have declined by more than three-quarters since the 1960's (DFG, 2000).

Project History: Starting in 2001, the Santa Monica BayKeeper and California CoastKeeper Alliance have been jointly managing this regional kelp restoration program, using a combination of grant funds from public and private local, state and federal sources, and from the substantial in-kind contributions from volunteers. The Southern California Bight Regional Kelp Restoration Program is managed by a team of staff biologists, a kelp laboratory technician, and a Technical Advisory Committee (TAC), of trustee agency representatives and university-based researchers.

In 2001 the project was awarded a three-year \$625,000 NOAA Community-Based Habitat Restoration Program grant to initiate the first three-year start-up phase. These federal funds were matched by funds from Proposition 12 for program activities within Santa Monica Bay, totaling \$122,000. In the first phase, 3000 square meters of kelp forest were restored, and an additional 12,000 square meters of reef are in the final phases of restoration.

PROJECT FINANCING:

Total Project Cost	\$1,550,000
SMBRP-Prop 12 (Requested)	<u>\$350,000</u>
Proposition 40	600,000
NOAA	\$600,000

The anticipated source of Conservancy funds is an appropriation to the Conservancy from Proposition 40, the "Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Bond Act of 2002".

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed project would be undertaken pursuant to Chapter 6 of the Conservancy's enabling legislation, Public Resource Code Sections 31251-31270.

Pursuant to §31251, the Conservancy may award grants to enhance coastal resources. The projects proposed for funding will enhance fish and wildlife habitat in nearshore coastal waters of Santa Monica Bay and the southern California Bight marine ecosystem, consistent with this section.

CONSISTENCY WITH CONSERVANCY'S STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 5, Objectives A and C**, the proposed project will increase Coastal Resource Conservation by restoring and enhancing nearshore coastal marine resources, importantly kelp forest habitat that act as refugia for nearshore fishes of the southern California Bight.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA & GUIDELINES:

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines adopted January 24, 2001, in the following respects:

Required Criteria

- 1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
- 2. **Consistency with purposes of the funding source:** These projects will be funded with monies appropriated to the Conservancy from Prop.40 for restoring coastal resources, including nearshore marine resources.
- 3. **Support from the public:** Implementation of the Southern California Bight Regional Kelp Restoration Program has widespread public and agency support.

- 4. **Location:** The proposed project is located within the southern California Bight nearshore marine ecosystem and Santa Monica Bay, which together are important coastal ocean areas of regional and statewide significance.
- 5. **Need:** State fish and marine resource managers have documented the steep decline in the distribution and health of regional kelp forests within the Southern California Bight. The Santa Monica Bay Restoration Commission and Watershed Council have identified the need for kelp restoration as part of needed actions to implement the Santa Monica Bay Restoration Plan. At its October 2003 meeting, the Santa Monica Bay Restoration Commission adopted the goal of "increasing kelp coverage within Santa Monica Bay by 20% by 2008." Without the Conservancy's funding, and the proposed matching funds from Proposition 12, the project cannot be expanded to meet this stated goal.
- 6. Greater-than-local interest: Santa Monica Bay has been identified by both the State of California and the US EPA has a coastal water body of national significance, through its designation as a National Estuary Project (NEP). The Southern California Bight marine ecosystem is a very important nearshore coastal marine environment, home to important commercial and recreational fishery resources, many of which are dependent on healthy kelp forests.

Additional Criteria

- 13. **Realization of prior Conservancy goals:** The Coastal Conservancy has been involved in resource protection, enhancement and restoration projects within the coastal nearshore waters of the southern California Bight for the past several years, funding habitat mapping and selected habitat restoration projects, including kelp restoration efforts within Santa Monica Bay.
- 15. **Cooperation**: The Southern California Bight Regional Kelp Restoration Project is a cooperative venture involving a broad range of interested and affected stakeholders including private industry, citizens, environmental groups, and local, regional, state and federal agencies.

COMPLIANCE WITH CEQA:

The proposed program is categorically exempt from review under the California Environmental Quality Act (CEQA). Pursuant to 14 Cal. Code of Regulations Section 15301(h), Maintenance of existing landscaping, native growth/Minor Alterations to Land, projects involving maintenance of existing landscaping and native growth are categorically exempt. Kelp restoration involves the planting of kelp onto bottom substrate areas which historically hosted kelp plants. No alteration of the nearshore marine bottom environment is involved in the program. Staff will file a Notice of Exemption upon approval.